

DIRECTORATE OF INTELLIGENCE

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## [ Vietnam:

South Vietnam: Fighting continued at a generally low level over the weekend except for a sharp clash 12 miles southwest of Da Nang.

Eight US Marines and 22 North Vietnamese regulars were killed in the battle which broke out when a Marine patrol encountered a well-entrenched enemy force estimated to be company size. A number of other small-unit actions were reported in each of the corps zones but no heavy fighting developed.

In the southernmost delta, two South Vietnamese Regional Force companies found a Viet Cong cache containing over 200 weapons and an estimated 10 tons of assorted munitions.

North Vietnam: Polithuro member Le Duc Tho is in Moscow enlisting Soviet support for Hanoi's next moves in the war and on negotiations.

Tho will stay two or three days in Moscow before proceeding to the Paris talks, according to the Soviet press. In contrast, Tho merely stopped briefly in Peking and any conversations with the Chinese must have been extremely perfunctory.

Czechoslovakia: Walter Ulbricht and an East German party delegation are scheduled to arrive in Karlovy Vary today for talks with Czechoslovak leaders.

Ulbricht probably hopes to alleviate undercurrents of domestic unrest in East Germany by fostering an impression that Pankow's strained relations with Czechoslovakia are improving.

Yugoslav party boss Tito left Prague yesterday after a demonstrative visit in which he gave his personal endorsement to Prague's internal reforms and to its right to develop its own national path to socialism.

During Tito's visit, the Czechoslovaks published drafts of new statutes for Communist Party approval at its congress next month. Some of the proposals almost certainly will not set well with those who were Dubcek's protagonists at Bratislava. One provides for a federal system of two Communist parties, Czech and Slovak, to be administered by a central party organization with limited powers. Another proposal would grant greater freedom to other minorities and allow greater participation by non-Communist groups within the National Front. Still another proposal provides that all party bodies be elected by secret ballot.

The psychological pressure of Warsaw Pact military activity along Czechoslovak borders continues. Moscow announced on 10 August the beginning of a communications exercise in the western Ukraine and the southern part of Poland and East Germany.

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India-Pakistan: Misunderstanding and suspicion continue to hamper the improvement of relations between New Delhi and Islamabad.

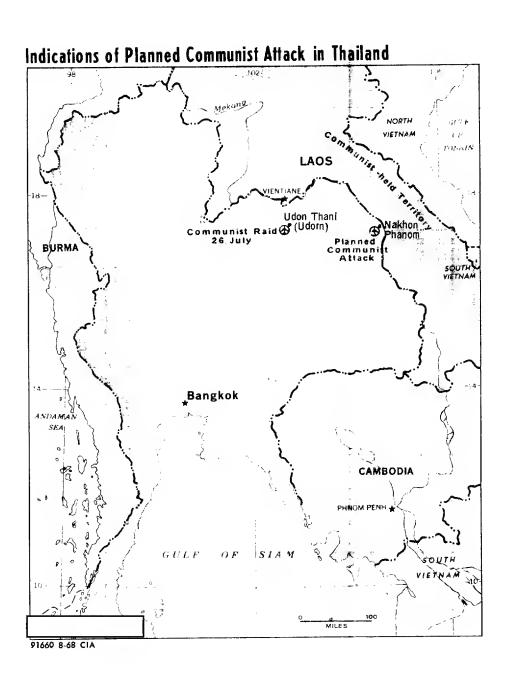
Recent indications that Pakistan might agree to talks on resuming trade and air services, interrupted by the 1965 war, have met with skepticism in New Delhi. India removed its own prohibition on trade in 1966.

Pakistan's development of alternative sources of imports and its access to Indian markets through illegal trade channels or third countries have lessened Islamabad's interest in officially reopening trade. India nevertheless claims to favor restoration and is seeking Pakistani raw jute to supplement its own 1968 crop.

The Indians hope that direct commercial air services by the respective national airlines can be reinstituted. Their concern with this issue would decline, however, if they were to approve requests from Thai and Afghan airlines to carry passengers between India and Pakistan.

Technical-level discussions on the dispersion of Ganges River water through India's Farakka Barrage may continue this October when an Indian delegation is scheduled to visit East Pakistan. The Indians remain firmly opposed, however, to Pakistan's call for internationalization of the problem or for the involvement of a third party.

Despite sporadic and limited attempts at cooperation, both India and Pakistan remain intransigent on issues such as the arms race and Kashmir. Moreover, the political climate in New Delhi is now somewhat hostile toward concessions to Pakistan in view of the recently proposed Soviet arms deal with Islamabad.



Thailand: The Communists may be planning an

attack against the Nakhon Phanom air base. Thai insurgents operating near Nakhon Phanom town met in early August to discuss an attack and have been caching automatic weapons for the raid. A 27-man demolition squad reportedly now is situated north of the base and a team composed of North Vietnamese and Pathet Lao cadre is expected to move into the area shortly to assist in the raid. considerable Pathet Lao and Thai Communist activity along the Lao side of the Mekong River in recent weeks and say that Communist sources have mentioned an impending attack against the air base. It is possible that many of these reports, 25X1 have been generated by the raid against Udorn air base on 26 July. Nakhon Phanom, however, is both an accessible and a lucrative target for the Communists. Situated only some 15 miles from territory in Laos contested by the enemy, the base has been used extensively for air attacks into the Lao infiltration corridor. 25X1 A roundup of Communist suspects on both sides of the Mekong is under way and may provide more detailed and reliable information on enemy plans. (Map)

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